

Listing of Claims:

1. (Currently Amended) A computer-implemented method of providing a monetary incentive, as determined by an incentive administrator, payable by a payer to a healthcare provider [responsible for] who decides a course of treatment [decisions of] for a patient with a condition during an episode of care, the method comprising the steps of:

[obtaining the patient identity and] evaluating the condition of the patient obtained by a diagnosis performed by the healthcare provider;

creating an episode of care based upon the diagnosis of the healthcare provider and a decided course of treatment;

associating a baseline value related to treatment of the condition to the episode of care;

summing a plurality of claims processed during the episode of care of the patient for the condition to obtain a total treatment cost; and

determining a monetary incentive to [provide] pay to the healthcare provider if the total treatment cost is less than the baseline value, wherein a portion of the monetary incentive is retained by the incentive administrator.

2. (Currently Amended) A computer-implemented method according to claim 1 wherein the patient is associated with a health care organization and the step of determining determines another monetary incentive to provide to the health care organization if the total treatment cost is less than the baseline value.

3. (Currently Amended) A computer-implemented method according to claim 2 wherein the health care organization is associated with [an] the incentive administrator, and the step of determining determines a further monetary incentive to provide to the incentive administrator if the total treatment cost is less than the baseline value.

4. (Currently Amended) A computer-implemented method according to claim [3 wherein the monetary incentive, the another monetary incentive and the further monetary

incentive are equal] 2 wherein the incentive administrator is identical to the incentive administrator, and the step of determining determines a further monetary incentive to provide to the incentive administrator if the total treatment cost is less than the baseline value.

5. (Currently Amended) A computer-implemented method according to claim [4] 3 wherein the monetary incentive, the another monetary incentive and the further monetary incentive are determined based upon the amount that the total treatment cost is less than the baseline value.

6. (Currently Amended) A computer-implemented method according to claim 1 wherein the monetary incentive is determined based upon the difference between the total treatment cost and the baseline value, such that the greater the difference, the greater the monetary incentive.

7. (Currently Amended) A computer-implemented method according to claim 1 wherein during the treatment of the patient for the condition during the episode of care the patient encounters an additional condition and the step of associating the baseline value further includes the step of adjusting the baseline value to account for the additional condition.

8. (Currently Amended) A computer-implemented method according to claim 7 wherein the additional condition creates another episode of care and further including the steps of:

associating another baseline value related to the treatment of the additional condition, the another baseline value being adjusted to account for the condition;

summing another plurality of claims processed for the another episode of care of the patient for the additional condition to obtain another total treatment cost; and

determining another monetary incentive to provide to the provider if the another total treatment cost is less than the another baseline value.

9. (Currently Amended) A computer-implemented method according to claim 1 wherein during the treatment of the patient for the condition during the episode of care the patient encounters an additional condition that creates another episode of care and further including the steps of:

associating another baseline value related to the treatment of the additional condition;  
summing another plurality of claims processed for the another episode of care of the patient for the additional condition to obtain another total treatment cost; and  
determining another monetary incentive to provide if the another total treatment cost is less than the another baseline value.

10. (Currently Amended) A computer-implemented method according to claim 1 wherein:

the steps of identifying, associating, summing and providing are repeated for each of a plurality of different episodes of care for a respective plurality of different patients; and  
the monetary incentive is obtained in the step of providing for each episode of care in which the treatment cost is less than the baseline value, but any episode of care in which the treatment cost is greater than the baseline value is not used to reduce the incentive provided.

11. (Currently Amended) A computer-implemented method according to claim 1 further including the step of the health care organization determining a base payment to the provider exclusive of the incentive..

12. (Currently Amended) A computer-implemented method according to claim 11 wherein the base payment is a fee-for-service.

13. (Currently Amended) A computer-implemented method according to claim 1 wherein the patient does not complete treatment during the episode of care and wherein the step of associating the baseline value further includes the step of adjusting the baseline value to account for the treatment not being completed.

14. (Currently Amended) A computer-implemented method according to claim 1 wherein the steps [of identifying, associating, summing and determining are automatically implemented using] are executed in a computer [system] network coupling a first computer system operated by the incentive administrator to a second computer system operated by the payer and a third computer system operated by the healthcare provider.

15. (Currently Amended) A computer-implemented method according to claim 14 further including the step of determining the baseline value prior to the step of associating.

16. (Currently Amended) A computer-implemented method according to claim 15 where the step of determining the baseline value establishes the baseline value using a plurality of data relating to a plurality of previous episodes of care for the same condition.

17. (Currently Amended) A computer-implemented method according to claim 16 wherein prior to the step of determining the baseline is the step of filtering to remove outlier episodes of care for the same condition to thereby establish the plurality of data relating to a plurality of previous episodes of care for the same condition.

18. (Currently Amended) A computer-implemented method of automatically processing claims to determine an incentive, as determined by an incentive administrator, payable by a payer to a healthcare provider who decides a course of treatment for a patient with a condition during an episode of care, the method comprising the steps of:

obtaining data relating to a plurality of different claims for a plurality of episodes of care relating to a plurality of conditions based on diagnoses of the healthcare provider for a plurality of different patients during a period of time, each different claim identifying the patient to which the claim corresponds;

processing the claims data to determine a responsible healthcare provider for each episode of care;

further processing the claims data to determine a total cost for each completed episode of care;

comparing a total cost for each completed episode of care with a baseline value to obtain a savings for each completed episode of care; and

determining an incentive payable by the payer for the responsible healthcare provider associated with each episode of care using the determined savings, wherein a portion of the monetary incentive is retained by the incentive administrator.

19. (Currently Amended) A computer-implemented method according to claim 18 wherein the step of processing the claims data to determine the responsible provider includes, for each patient:

identifying a plurality of physicians who ordered procedures for the patient;  
identifying a defining procedure for the condition if the defining procedure exists;  
assigning as the responsible provider that physician who performed the defining procedure if the defining procedure exists; and

if the defining procedure does not exist, then assigning as the responsible provider that physician who was responsible for incurring a predetermined percentage of costs for the episode of care.

20. (Currently Amended) A computer-implemented method according to claim 19 further including the step of checking whether the responsible provider also performed a termination procedure associated with the condition to verify the responsible provider designation.

21. (Currently Amended) A computer-implemented method according to claim 19, wherein, if there was no provider responsible for the predetermined percentage of costs, then assigning as the responsible provider that provider who was responsible for incurring a second predetermined percentage of costs for the episode of care that is less than the predetermined percentage of costs and was responsible for an initial diagnosis of the condition.

22. (Currently Amended) A computer-implemented method according to claim 21 wherein the predetermined percentage of costs is 85% and the second predetermined percentage is 50%.
23. (Currently Amended) A computer-implemented method according to claim 19, wherein, if there was no provider responsible for the predetermined percentage of costs, then assigning as the responsible provider that provider who was responsible for incurring a second predetermined percentage of costs for the episode of care that is less than the predetermined percentage of costs and was a physician specialist who was the first to bill the patient.
24. (Currently Amended) A computer-implemented method according to claim 19, further including the step of wherein the predetermined percentage is 85%.
25. (Currently Amended) A computer-implemented method according to claim 18 wherein the baseline value is adjusted for comorbidity.
26. (Currently Amended) A computer-implemented method according to claim 18 wherein the baseline value is pro-rata adjusted to take into account an actual length of the episode of care.
27. (Currently Amended) A computer-implemented method according to claim 26 wherein the actual length of the episode of care is compared with an average length for that type of episode of care to determine the pro-rata adjustment.
28. (Currently Amended) A computer-implemented method according to claim 18 wherein the incentive is determined to be zero if gaming is detected.

29. (Currently Amended) A computer-implemented method according to claim 18 wherein the incentive is determined to be zero if the episode of care was for an emergency room procedure.

30. (Currently Amended) A computer-implemented method according to claim 18 wherein the incentive is determined to be zero if an outlier indicator is set.

31. (Withdrawn)

32. (Withdrawn)

33. (Withdrawn)

34. (Withdrawn)

35. (Withdrawn)

36. (Withdrawn)

37. (Withdrawn)

38. (Withdrawn)

39. (Withdrawn)

40. (Withdrawn)

41. (Withdrawn)

42. (Withdrawn)

43. (Withdrawn)

44. (Withdrawn)

45. (Withdrawn)

46. (Withdrawn)

47. (Withdrawn)

48. (Withdrawn)

49. (Withdrawn)

50. (Withdrawn)

51. (Withdrawn)

52. (Withdrawn)

53. (Withdrawn)

54. (Withdrawn)

55. (Currently Amended) An apparatus for determining an amount of a monetary incentive, as determined by an incentive administrator and payable by a payer [to provide] to a physician responsible for treatment decisions of a patient with a condition during an episode of care comprising:

a computer system including:

means for inputting data including the patient identity and the condition of the patient as diagnosed by the physician [into];

means for associating a baseline value related to treatment of the condition to the episode of care;

means for summing a plurality of claims processed during the episode of care of the patient for the condition to obtain a total treatment of cost; [and]

means for determining a monetary incentive to provide the provider if the total treatment cost is less than the baseline value; and

means for determining a first percentage of the monetary incentive to be paid to the physician and a second percentage of the monetary incentive to be retained by the incentive administrator.

56. (New) A computer-implemented method according to claim 1 further comprising the step of:

identifying a plurality of physicians who ordered procedures for the patient;

identifying a defining procedure for the condition if the defining procedure exists;

assigning as the responsible provider that physician who performed the defining procedure if the defining procedure exists; and

if the defining procedure does not exist, then assigning as the responsible provider that physician who was responsible for incurring a predetermined percentage of costs for the episode of care.

57. (New) A computer-implemented method according to claim 18 further comprising the step of:

identifying a plurality of physicians who ordered procedures for the patient;



identifying a defining procedure for the condition if the defining procedure exists;  
assigning as the responsible provider that physician who performed the defining  
procedure if the defining procedure exists; and

if the defining procedure does not exist, then assigning as the responsible provider  
that physician who was responsible for incurring a predetermined percentage of costs for the  
episode of care.

58. (New) An apparatus according to claim 18 further comprising the step of:  
means for identifying a plurality of physicians who ordered procedures for the patient;  
means for identifying a defining procedure for the condition if the defining procedure  
exists;  
means for assigning as the responsible provider that physician who performed the  
defining procedure if the defining procedure exists; and  
means for assigning as the responsible provider that physician who was responsible  
for incurring a predetermined percentage of costs for the episode of care, if the defining  
procedure does not exist.